

INFORMATION REPORT

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SUBJECT Attitude of Ruhr Industrialists on
Co-Determination and Schuman Plan

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The following report reflects the opinions of several prominent West-German industrial leaders.

1. When the German Federal Government agreed early this year with labor and management representatives on the draft of a co-determination law for the steel and coal industries, giving the Deutsche Gewerkschafts Bund (DGB) the major voice in nominating labor representatives for factory management boards, managers of many large Ruhr steel plants were convinced that the era of private management had ended. They were apprehensive that their own positions were no longer secure and in private conversations discussed ways and means of placating labor union leaders who would soon, they thought, share their managerial prerogatives. The difficulty, however, which the Government and labor are having in getting the Bundestag to accept the original co-determination draft has heartened many of the plant managers, and they now feel that there is a fighting chance that private ownership and management will keep the upper hand. If the Bundestag denies the DGB the right to nominate all or most of the labor representatives on plant boards, workers in the plants will have the major voice, and the managers feel that their own experience, the superior financial resources of management, and the inherent docility of German workers will work in favor of private ownership and control.
2. As of Thursday, 29 March 1951, the managers of many of the largest Ruhr steel plants did not know how their plants would be affected by the reorganization of German heavy industry agreed on between the U. S. High Commissioner and Chancellor Konrad Adenauer in their talks on the Schuman Plan. The final reorganization plan, discussed and approved by the Allied High Commission on that day was still a mystery to most of the actual plant managers, who felt that the German Government had consulted primarily the owners of the "liquidated" Ruhr firms, rather than the present managers.
3. It was the opinion of a number of important Ruhr industrial officials that the reorganization and deconcentration of German heavy industry, envisioned by the Allies as a step in implementing the Schuman Plan as well as a key feature of U. S. occupation policy, would be nullified by the machinations of the plants' owners soon after the Schuman Plan was signed. The supposition in managerial circles is that Ruhr owners, once their rights are restored, will balk at producing war materiel for Western defense, until they are permitted to reintegrate their separate

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plants into something resembling the old "concern" system. They will argue that a large-scale defense production effort is possible only if they are allowed to combine and "rationalize" their purchase of raw materials, production planning, marketing, price structure, shipping, and financing.

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